GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3622
ANSWERED ON:16.12.2005
FOREIGN EXCHANGE THROUGH RRBs/POST OFFICES
Tripathy Shri Braja Kishore

Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India (RBI) has relaxed the rules in regard to availability of foreign exchange through Regional Rural Banks Post Offices as reported in Dainik jagaran dated December 2,2005;

(b) if so, the details thereof;

(c) the Regional Rural Banks/Post Office branches identified for the said purpose in the country; and .

(d) the time by which the foreign exchange is likely to be made available through above Banks and Post Office?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI S.5. PALANIMANICKAM)

(a)&(b): As reported by Reserve Bank of India, Regional Rural Banks have not been permitted to undertake foreign exchange transactions so far. However, an unified Full Fledge Money Changer (FFMC) license was issued to the Department of Posts in August, 20C1 and the license has been renewed for one year up to August 15, 2006. Under this license Department of Posts is authorised to purchase foreign exchange from residents and non-residents visiting India, and to sell foreign exchange for certain approved purposes. Department of Posts has also been given an approval on October 31, 2000 to conduct Money Transfer Services Scheme (MTSS) with Western Union Financial Services.

(c): As reported by Department of Post, 235 Post Offices have been identified for the purpose.

(d): The Department of Post is yet to start the service as the technical and commercial feasibility of it is being ascertained.